

5<sup>th</sup> March 2026

BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001  
**Scrip code: 532343**

National Stock Exchange of India Limited,  
Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051  
**Scrip code: TVSMOTOR**

Dear Sir / Madam,

**Reg : Intimation of Credit Rating under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that India Ratings and Research Private Limited, vide its Press Release dated 4<sup>th</sup> March 2026, has assigned the rating in respect of the company's instrument as per the details below:

<b>Facilities</b>	<b>Amounts (Rs. in Crores)</b>	<b>Rating/Outlook</b>	<b>Rating Action</b>
Non-Convertible Debentures*	500	IND AAA/Stable	Assigned

\* yet to be issued

A Press release from the rating agency is enclosed.

Thanking you,

Yours truly,  
For **TVS MOTOR COMPANY LIMITED**

**K S Srinivasan**  
**Company Secretary**

Encl : a/a

## India Ratings Assigns TVS Motor Company's NCDs 'IND AAA'; Outlook Stable

Mar 04, 2026 | 2/3 Wheelers

India Ratings and Research (Ind-Ra) has rated TVS Motor Company Ltd's (TVSM) non-convertible debentures (NCDs) as follows:

### Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Non-convertible debentures*	-	-	-	INR5,000	IND AAA/Stable	Assigned

\*yet to be issued

### Analytical Approach

Ind-Ra has fully consolidated TVSM's [all wholly-owned subsidiaries](#), excluding its financial services subsidiary – TVS Credit Services Ltd (TVS Credit), while assigning the rating, because of the moderate strategic, operational and legal linkages among them.

### Detailed Rationale of the Rating Action

The rating reflects TVSM's well-established market presence in the Indian two-wheeler (2W) industry, supported by its strong brand presence, expanding global footprint, and a consistently premiumising product mix across motorcycles, scooters, and electric mobility solutions. The company benefits from a diversified revenue base spanning domestic and export markets as well as synergies from its investments in technology and product innovation. In addition, TVSM continues to maintain a robust financial profile marked by healthy operating margins, prudent capital allocation, and strong liquidity, reflected in sustained cash generation and a conservative leverage position. However, the rating remains susceptible to the inherent cyclicity in the industry, as well as competition from other automotive players.

### List of Key Rating Drivers

#### Strengths

- Solid market position across product segments
- Diversified business profile
- Improving operating performance
- Strong credit metrics

#### Weaknesses

- Intense competition from other original equipment manufacturers (OEMs)
- Susceptibility to macro-economic headwinds
- Overseas business remains a drag on overall profitability and return ratios

### Detailed Description of Key Rating Drivers

**Solid Market Position Across Product Segments:** TVSM is one of the leading 2W manufacturers in India, being the second-largest player in the domestic scooter segment, the largest player in e-scooters, and one of the largest in the motorcycle segment in terms of volume as of FY25. It is also among the top two 2W and three-wheeler (3W) exporters in India.

TVSM's market share has increased considerably across product categories both in the domestic and export market. As per the Society of Indian Automobile Manufacturers, TVSM's market share in domestic scooter sales increased significantly to 26.5% in FY25 from 18% in FY20 and further to 28.5% in 10MFY26. The company holds a market share of 11.0% as of 10MFY26 (FY20: 6.7%) in domestic motorcycle sales and has become a market leader in the 150-250 CC motorcycles category and is the only company in mopeds in India.

Furthermore, TVSM has been a front-runner in e-2W (electric 2W) space (especially scooters) and is the market leader in e-scooters with a market share of more than 23% as of 9MFY26 (FY23: 11.4%). TVSM's market position across segments has improved over the past several years, supported by strong research and development, consistent new product launches and improved brand presence.

**Diversified Business Profile:** TVSM offers a diversified mobility portfolio spanning scooters, motorcycles, mopeds, and 3Ws. Within motorcycles, the company has a presence across economy, executive and premium motorcycles. The company's portfolio is supported by strong brands such as Jupiter and Ntorq in scooters, and the Apache series, and Raider in the motorcycles. The company has been consistently premiumising its product portfolio and derived 73% of its overall volumes from more than 110 CC motorcycles in FY25 versus 53% in FY20. The company is also one of the leading exporters of 2Ws and 3Ws with a presence in over 60 countries. Its broad product mix and geographic diversity have strengthened its resilience through industry cyclicalities and macroeconomic volatility.

In line with the industry's transition toward electrification, TVSM has rapidly scaled up its electric vehicle (EV) portfolio, with iQube and Orbiter in e-scooters, and has launched products in e-3W space in both passenger and cargo segments. The company derived 24%-27% of its standalone revenue from exports and 9%-12% from EVs during FY24-9MFY26. The company has also invested in the Norton brand to enter into ultra-premium motorcycles (greater than 450 CC) and is likely to launch the same in India as well as several overseas markets.

**Improving Operating Performance:** TVSM's operating performance improved with the consolidated revenue (excluding the financing arm) expanding at a CAGR of 17% during FY20-FY25 (FY25: INR374.6 billion, FY24: INR329.9 billion). The standalone revenue growth outperformed the industry with revenue and volumes growing at a CAGR of 17.2% and 7.8% respectively, over the same period, as against the industry (2W and 3W) volume (domestic + exports) growth of around 2%. The growth is largely supported by a consistent increase in market share and improving realisation amid the company's focus on increasing premium product offerings.

TVSM's standalone EBITDA margins have been improving consistently, hovering upwards of 12% in FY25-9MFY26 (9MFY26: 12.8%, FY25: 12.3%, FY24: 11%) against 6%-8% until FY20. The sequential improvement in margins is supported by premiumisation of the product portfolio, cost-rationalisation programmes, and operating leverage attained amid increasing volumes. Accordingly, TVSM's consolidated EBITDA margins (excluding the financing arm) also increased to 9.9% in FY25 (FY24: 9.2%), although they remain impacted on account of losses in its overseas subsidiaries and the e-mobility business. Ind-Ra expects the consolidated margins (excluding the financing arm) to improve to 10%-10.5% during FY26-FY27 due to continued premiumisation of the portfolio, a likely reduction in losses of the overseas subsidiaries as well as the e-mobility business.

TVSM's return on capital employed (ROCE; excluding the financing arm) has improved to 35% in FY25 (FY24: 31%) from 20% in FY22, led by the improving EBITDA and remains in line with industry peers. Ind-Ra expects the ROCE to improve further over FY26-FY27 on the back of improving EBIT levels.

**Strong Credit Metrics:** TVSM's consolidated credit profile (excluding the financing arm) is characterised by low financial leverage and high coverage ratios. In FY25, the consolidated gross interest coverage (operating EBITDA/gross interest expense) excluding the financing arm remained strong at 16.2x (FY24: 11.6x). The net adjusted leverage (net debt including leases/EBITDA) was below 1.0x in FY24 and FY25.

Furthermore, TVSM had issued non-cumulative redeemable preference shares as bonus preference shares worth INR19,000 million with a coupon rate of 6% per annum during September 2025, which are due for redemption in September 2026. Ind-Ra believes that the transaction is unlikely to affect TVS Motor's credit profile adversely, and the net leverage is likely to remain below 1.5x in FY26-FY27 due to the overall buoyancy in the domestic auto sector coupled with the company's focus on cost rationalisation and product premiumisation.

**Intense Competition from Other Original OEMs :** The Indian 2W market is largely dominated by players such as Bajaj Auto Ltd ('IND AAA/Stable), Hero MotoCorp Ltd, Honda Motorcycles & Scooters India Pvt Ltd, Suzuki Motorcycle India Pvt Ltd, and TVS Motors Ltd. Furthermore, the OEMs continue to launch new models from time to time to gain market share. However, TVSM maintained its market position backed by new product launches and a strong supply chain network. The EV space has been the new attractive field, which has become extremely competitive with new-age OEMs as well as conventional OEMs expanding in the space. Ind-Ra takes comfort from the fact that the industry itself is in a nascent stage and TVSM has been able to improve its market share substantially in the e-2W industry as well.

**Susceptibility to Macro-economic Headwinds:** The company faces macro-economic challenges such as geopolitical issues disrupting supply chains, reduction in per capita income leading to a reduction in purchasing power of people, changing demand and preferences across countries, inflation across geographies and input material availability, which are inherent to the automobile industry. However, given the strong brand value and better bargaining power within the supply chain, TVSM has been able to withstand such issues over several cycles.

**Overseas Business Remains a Drag on Overall Profitability and Return Ratios:** TVSM has invested around INR86.24 billion in its subsidiaries till FY25, which accounts for around 87% of the standalone net worth. This largely includes INR22.4 billion in TVS Credit and INR51.9 billion in TVS Motor (Singapore) Pte. Ltd, which has been an investment vehicle for overseas acquisitions. Ind-Ra notes that the company plans to invest around INR29 billion in these subsidiaries in FY26, although the investment is likely to reduce gradually. The acquired overseas businesses continue to incur losses over FY23-FY25, impacting TVSM's consolidated (ex-financing arm) profitability and ROCE.

However, TVSM expects losses at Norton to reduce from FY27 as the company gradually ramps up production of Norton vehicles with launches of three new Norton models likely by early FY27. The operational revival and narrowing of losses at the subsidiary level remains a key rating monitorable.

## Liquidity

**Adequate:** TVSM had strong unencumbered cash and cash equivalents (excluding the financing arm) of INR5.2 billion at FY25 (FYE24: INR6.2 billion). The company has access to about INR16.88 billion of fund-based limits at a standalone level, the average month-end utilisation of which was around 3% for the 12 months ended December 2025. The utilisation levels are likely to have remained at similar levels for January and February 2026. The company has been generating healthy cash flow from operations (FY25: INR22.7 billion; FY24: INR13.6 billion), largely led by growth in operating profitability and a negative working capital cycle. However, Ind-Ra-calculated free cash flow remained negative and deteriorated further to negative INR6.5 billion in FY25 (FY24: negative INR1.4 billion) on account of a large ongoing capex (FY25: INR24.4 billion; FY24: INR11.2 billion). However, the agency expects the free cash flow to improve in FY26-FY27 supported by an improvement in EBITDA.

The company plans to incur capex and investments of INR46 billion in FY26, which includes capex towards electric platform development, new product development, and capacity expansion, and investments in subsidiaries, which is likely to be funded largely through internal accruals. The company has scheduled debt repayments of INR8 billion-9 billion in FY26 and INR4.5 billion-5.0 billion in FY27. Also, the non-cumulative redeemable preference shares worth INR19,000 million are due for redemption in September 2026.

The company's ability to generate strong cash flows, along with healthy cash balances and financial flexibility, will be adequate to fund the capex plans, debt repayments, and dividend pay-outs over the period. Assuming incremental support to the extent of around 20% of TVS Credit's debt; the company's liquidity ratio as per Ind-Ra's calculation will remain adequate.

## Rating Sensitivities

**Positive:** Not applicable.

**Negative:** A negative rating action could result from a substantial weakening of TVSM's market position in its key product segments, and/or significant losses at the subsidiary level, leading to pressure on the consolidated margins, and the quantum of capex/investment plans exceeding Ind-Ra's expectations leading to an increase in consolidated net leverage (TVSM consolidated excluding the financing arm) exceeding 1.5x on a sustained basis.

## Any Other Information

**Standalone Financials:** The revenue grew at a CAGR of 17% to INR362.5 billion over FY20-FY25 (FY24: INR317.8 billion, FY23: INR263.8 billion) while the EBITDA margin expanded to 12.3% (11.1%; 10.1%). The company's gross adjusted debt (including leases) increased to INR20.4 billion at FYE25 (FYE24: INR19.6 billion, FYE23: INR26.6 billion). However, the company continues to have a strong credit risk profile while maintaining robust credit metrics with a net adjusted leverage of 0.3x in FY25 (FYE24: 0.4x, FYE23: 0.8x) along with a strong interest coverage at 32.1x (19.3x; 19.0x) owing to operational efficiencies.

## ESG Issues

**ESG Factors Minimally Relevant to Rating:** Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on TVSM, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

## About the Company

TVSM, the flagship company of the TVS Group, is the third largest 2W manufacturer in India with presence across scooters, motorcycles and mopeds. The company has a presence across economy, executive and premium motorcycle segments. The company is also present in the 3W segment. It is also the second-largest exporter in India, with exports to over 80 countries. The company is 50.27% held by the promoters. The company has three manufacturing plants in India and one in Indonesia with a total installed capacity of 4.95 million 2Ws and 0.24 million 3Ws. The company has a strong dealership network of around 4,000 touchpoints.

## Key Financial Indicators

Particulars (Consolidated; excluding financial arm)	FY25	FY24
Revenue (INR billion)	374.6	329.9
EBITDA (INR million)	37.2	30.4
EBITDA Margin (%)	9.9	9.2
Gross adjusted debt (INR million)	38.5	33.9
Cash and equivalents (INR million)	5.2	6.1
Gross interest coverage (x)	16.2	11.6
Net adjusted leverage (x)	0.9	0.9

Source: TVSM; Ind-Ra  
Note: Ind-Ra has arrived at these financials by de-consolidating TVS Credit from TVS Motors's consolidated financials.

## Status of Non-Cooperation with previous rating agency

Not applicable

## Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Rating/Outlook
-----------------	-------------	------------------------	------------------------

Non-convertible debentures	Long-term	INR5,000	IND AAA/Stable
----------------------------	-----------	----------	----------------

## Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## Contact

### Primary Analyst

Shefali Joshi

Senior Analyst

India Ratings and Research Pvt Ltd

DLF Epitome, Level 16, Building No. 5, Tower B DLF Cyber City, Gurugram Haryana - 122002

+91 124 6687261

For queries, please contact: [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

### Secondary Analyst

Ajay Maheshwari

Analyst

+91 124 6687200

### Media Relation

Ameya Bodkhe

Marketing Manager

+91 22 40356121

## About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

## Solicitation Disclosures

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

### **Evaluating Corporate Governance**

### **Corporate Rating Methodology**

### **Treatment and Notching of Hybrids in Nonfinancial Corporates**

### **Parent and Subsidiary Rating Linkage**

### **The Rating Process**

#### **DISCLAIMER**

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website [www.indiaratings.co.in](http://www.indiaratings.co.in). Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.